GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:3707
ANSWERED ON:16.05.2006
REFUND TO EXPORTERS
Angadi Shri Suresh Chanabasappa

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether a large number of exporters who are entitled to refund under various export schemes have not yet got their entitled refunds;

(b) if so, the total amount blocked under various schemes; and

(c) the steps taken by the Central Government to refund the blocked money at the earliest?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH)

a) to c): Exporters are entitled for refund of duty under the Duty Drawback Scheme for physical export (administered by the Department of Revenue, Ministry of Finance) and refund of the Duty Drawback and Terminal Excise Duty for deemed exports (administered by Department of Commerce, Ministry of Commerce and Industry). Terminal Excise Duty and duty drawback on deemed export refunded by the offices of DGFT are linked to the budgetary provision. During the Financial year 2005-06, against a budgetary requirement of Rs. 917.45 crores, only Rs. 525 crores could be received under budgetary allocation and refunded to the exporters in respect of the claims of deemed export Duty Drawback and Terminal Excise Duty. With the recent budgetary allocation of Rs. 396 crores, all the pending claims preferred till 31st March, 2006 have been finalised for processing and reimbursement by the Regional offices of DGFT. Details of duty drawback refund by the Department of Revenue for physical expor t is annexed.

Annexure

Annexure reffered to in reply to Lok Sabha Unstarred Question No. 3707 for answer on 16.5.06 regarding "Refund by Exporters"

Details regarding refund of duty drawback against physical exports

In all, 35602 All Industry Duty Drawback claims involving an amount of Rs. 225.56 crores were pending before the various Customs formations as on 30.11.2005. Out of these, 18852 claims are less than one month old, 8456 claims are 1-3 months old, 1940 claims are 3-6 months old and 6354 claims are more than 6 months old. The claims were pending because of non-receipt of the required documents, non-receipt of test reports, exporters name figuring in the alerts issued by various agencies, non-compliance of requirements like furnishing CENVAT non-available certificate, etc. The delay in fixation of brand rates of duty drawback is due to non-submission of required documents, pending investigations relating to exports by various agencies etc.

2. The Ministry is monitoring the pending of drawback claims. Concerted efforts are being made to liquidate the pendency as detailed below :

(a) Instructions have been issued to the Commissioners to ensure that drawback amount is credited into the accounts of exporters immediately after 'Let Export' order and filing of the manifest by the carrier and also to look into the grievances of the exporters wherever there is delay of more than 72 hours in drawback disbursal for claims complete in all respects.

(b) An arrears clearance drive was launched by constituting special drawback counters and by observing months of July, 2005, August, 2005 and September, 2005 as arrears clearance months which resulted in liquidation of many long pending drawback claims.

(c) The facility of Revised Simplified Procedure has been extended to select categories of exporters for expeditious disposal of brand rate applications. Under this scheme, drawback rates are fixed without pre-verification of the data. The rates are subject to post audit.

(d) The field formations have been instructed to issue provisional brand rate letters within a maximum period of 15 days of receipt of the complete application.